

# Cathay FHC's 2025 Human Rights Impact Management Report

The purpose of this report is to communicate information to stakeholders who are concerned with or affected by Cathay's human rights issues, regarding the company's implementation of human rights due diligence, mitigation measures, remediation procedures, and complaint mechanisms. The scope of this report covers our own operations, contractors and Tier I suppliers and joint ventures. The reporting period covers January 1, 2025, to December 31, 2025. Any deviations from this timeframe are addressed in the relevant sections.

## 1. Human Rights Related Policies

Cathay has always attached importance to human rights, and adheres to the UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, and the UN Global Compact, while also referring to the ILO Fundamental Conventions and related principles, in fulfilling its corporate social responsibility and protecting the basic human rights of all employees, customers, and stakeholders. We respect internationally recognized basic human rights policies, including freedom of association, care for underprivileged groups, prohibition of using child labor, elimination of all forms of human trafficking, forced labor, and elimination of discrimination in employment. We strictly abide by local labor regulations and established the Cathay Financial Holdings Human Rights Policy. We ensure that the Cathay Financial Holdings Human Rights Policy is implemented within the group to protect human rights. Cathay treats all employees with dignity and respects all employees, contracted, and part time workers. We also established the Cathay FHC Sustainable Procurement Policy and Corporate Social Responsibility Code of Practice for Suppliers and require suppliers to comply with the same standards. Human rights management policies are all disclosed on the official website of Cathay FHC to clearly communicate Cathay's emphasis and commitment to human rights management.

| Policy and Declaration                                   | Applicable Parties                                                                                                  | Content of Human Rights-Related Policies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <b>Cathay FHC's Declaration of Sustainability Values</b> | Employees, suppliers, joint ventures, and other business partners of Cathay Financial Holdings and its subsidiaries | Upholding the core values of "Integrity, Accountability, and Innovation," Cathay references international standards, including the OECD "Guidelines for Multinational Enterprises," the United Nations Global Compact, and the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies. Based on the Company's business operations and overall operating activities, Cathay integrates responsible investment and financing, human rights policies, occupational safety and health and environmental policies, and public welfare policies into its "Declaration of Sustainability Values." Through this declaration, Cathay affirms its commitment to conducting business in a manner that is consistent with professional ethics, legal requirements, and reasonable business practices, while striving to reduce environmental, social, and governance risks and create positive value for the economy, society, and the environment. |

| Policy and Declaration                                      | Applicable Parties                                                                                                                    | Content of Human Rights-Related Policies                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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| <b>Cathay FHC Human Rights Policy</b>                       | Employees, suppliers, joint ventures, and other business partners of Cathay Financial Holdings and its subsidiaries                   | The Company adheres to the "United Nations Universal Declaration of Human Rights," the "United Nations Guiding Principles on Business and Human Rights," the "United Nations Global Compact," and relevant Conventions of the International Labour Organization to fulfill its corporate social responsibility and safeguard the fundamental human rights of all employees, customers, and stakeholders. The Company's human rights management approach is further set out in its "Human Rights Policy."       |
| <b>Cathay FHC Sustainable Procurement Policy</b>            | Cathay Financial Holdings and its subsidiaries                                                                                        | With reference to the principles of ISO 20400 Sustainable Procurement Guidelines, the Company works with suppliers to respond to social, economic, and environmental issues, reduce procurement risks, and create sustainable business opportunities. The Company also requires suppliers to place emphasis on human rights management in order to achieve its supply chain sustainability management objectives.                                                                                              |
| <b>Cathay FHC Code of Ethical Conduct</b>                   | All personnel of Cathay Financial Holdings and its subsidiaries, including directors, supervisors, managerial officers, and employees | Cathay supports internationally recognized fundamental human rights and establishes requirements for equal employment and the prohibition of discrimination and harassment. Employees are encouraged to report any illegal conduct or violations of this Code. The Company maintains the confidentiality of and protects whistleblowers and relevant personnel involved in investigations to ensure that they are not subject to unfair treatment or retaliation.                                              |
| <b>Cathay FHC Corporate Sustainability Principles</b>       | Cathay Financial Holdings and its subsidiaries                                                                                        | Each company shall respect internationally recognized conventions on fundamental labor rights and, in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies," incorporate human rights issues into its human resources policies. These include freedom of association, care for vulnerable groups, the prohibition of child labor, the elimination of all forms of forced labor, and the elimination of discrimination in employment and occupation.    |
| <b>Cathay FHC Responsible Investment and Lending Policy</b> | Cathay Financial Holdings and its subsidiaries                                                                                        | The Company incorporates material ESG issues into its investment analysis and decision-making processes, as well as corporate banking credit review procedures, to effectively promote long-term value and manage risks. Social considerations include labor management, health and safety, chemical safety, and corporate inclusivity, etc. Through engagement, the exercise of voting rights, and on-site reviews, the Company also urges investee companies and borrowers to improve their ESG performance. |

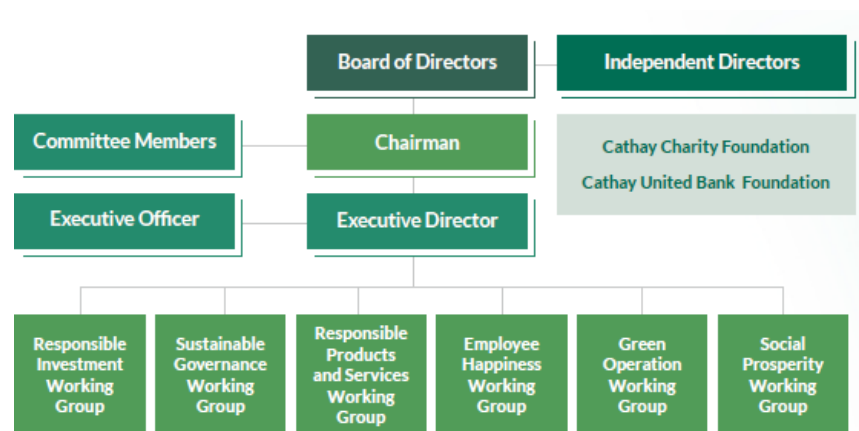
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| <b>Cathay FHC Engagement Policy</b>                              | Cathay Financial Holdings, Cathay Life, CUB, Cathay Century, Cathay Securities, Cathay SITE, Cathay Venture | The Company supports sound corporate governance, values shareholders' rights and interests, and emphasizes information transparency. It incorporates "corporate engagement and shareholder action" into its investment and credit review processes, providing engagement targets with environmental, social, and governance perspectives with the aim of generating positive impact. Through this approach, Cathay seeks to work with engagement targets to create the greatest possible value for the stakeholders of both parties. |
| <b>Cathay FHC's Privacy Policy</b>                               | Cathay Financial Holdings and its subsidiaries                                                              | In accordance with the "Financial Holding Company Act," the "Regulations Governing Administration of the Collective Marketing in Inter-Subsidiaries Company of a Financial Holding Company," the "Personal Data Protection Act," and other applicable laws and regulations, Cathay strengthens the protection and management of the collection, processing, and use of personal data to safeguard customer rights and privacy and reduce operational risks.                                                                          |
| <b>Cathay FHC Artificial Intelligence (AI) Governance Policy</b> | Cathay Financial Holdings and its subsidiaries                                                              | Management measures for the use of AI include, but are not limited to, frameworks and standards for AI research, development, and application. These measures are designed to ensure compliance with applicable laws and regulations, safeguard information security, uphold fairness and respect for human rights, and promote innovation and trust.                                                                                                                                                                                |

## 2. Reference Standards for Establishing Human Rights Related Policies

|                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <ul style="list-style-type: none"> <li>● UN Universal Declaration of Human Rights</li> <li>● UN Guiding Principles on Business and Human Rights</li> <li>● ILO Fundamental Conventions</li> <li>● OECD Guidelines for Multinational Enterprises</li> <li>● UN Global Compact</li> <li>● Principles for Sustainable Insurance (PSI)</li> <li>● Principles for Responsible Banking (PRB)</li> <li>● Principles for Responsible Investment (PRI)</li> </ul> | <ul style="list-style-type: none"> <li>● Equator Principles (EPs)</li> <li>● ISO 20400 Sustainable Procurement Guidelines</li> <li>● Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</li> <li>● FSC Corporate Governance 3.0 – Sustainable Development Blueprint</li> <li>● Labor Standards Act of Taiwan</li> <li>● Act of Gender Equality in Employment</li> <li>● Personal Data Protection Act</li> </ul> |
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### 3. Human Rights Management and Governance Framework

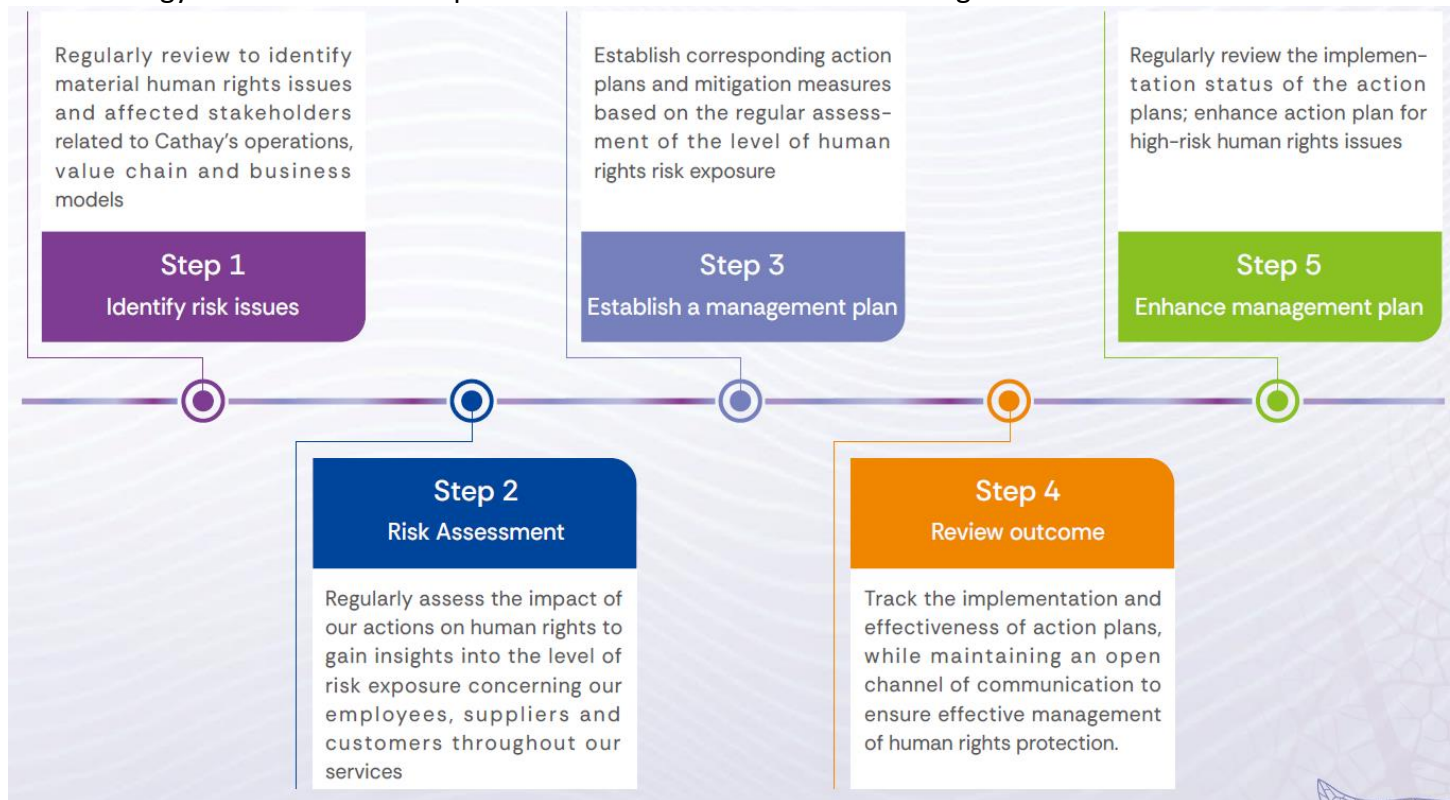
As human rights issues involve multiple departments and units, Cathay Financial Holdings' ESG Strategy Committee serves as the highest governance body and reports significant issues and implementation progress to the Board of Directors and the Corporate Sustainability Committee at least semiannually. The ESG Strategy Committee comprises six working groups, which conduct due diligence and risk management on human rights issues involving different target groups and stakeholders.



|                                                                                                               |                                                                                                             |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <b>Employee</b>                                                                                               | Employee Happiness Working Group<br>Sustainable Governance Working Group<br>Social Prosperity Working Group |
| <b>Suppliers</b>                                                                                              | Green Operation Working Group                                                                               |
| <b>Lending clients/ Investment targets and their supply chains</b>                                            | Responsible Investment Working Group                                                                        |
| <b>Customer</b>                                                                                               | Responsible Products and Services Working Group                                                             |
| <b>Joint ventures</b>                                                                                         | Employee Happiness Working Group                                                                            |
| <b>Cathay's empowerment initiatives target, including youth, women, the elderly, and disadvantaged groups</b> | Social Prosperity Working Group                                                                             |

## 4. Due Diligence Procedures

Cathay regularly conducts human rights due diligence covering key stakeholder groups and implements impact assessments and management improvements for high-risk issues. Human rights risk identification is conducted with reference to internationally recognized human rights standards and frameworks, the Group's development strategy, and external trends. Employee surveys are used to identify potential human rights impacts of the Group's operations on different stakeholder groups. The assessment results are then reviewed systematically, with each human rights issue evaluated and assigned a risk rating. High-risk stakeholder groups and salient issues are identified and managed, and the assessment results are reported to the ESG Strategy Committee. The implementation and effectiveness of mitigation measures are then tracked and reviewed annually.



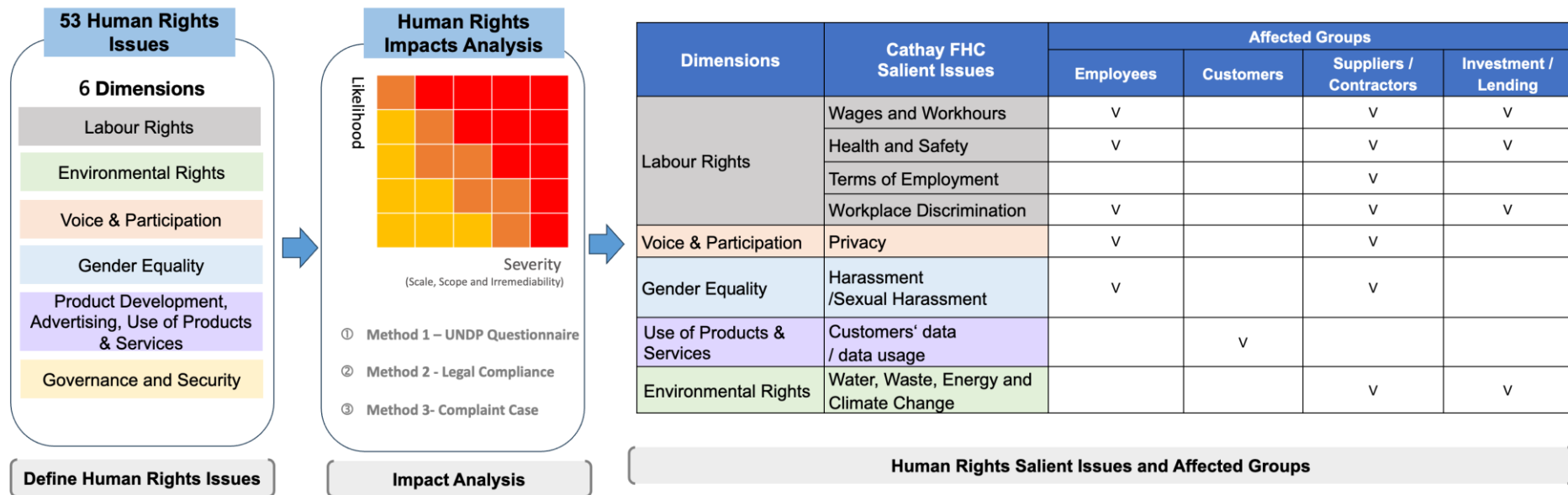
### ● Human Right Due Diligence Scope

Cathay FHC regularly conducts human rights risk assessments. The most recent human rights risk identification and assessment was conducted in 2023, covered Cathay FHC's own operations, including 703 sites across the Group—691 business locations in Taiwan and 12 overseas branches and offices—along with 24 joint venture sites and its supply chain. As of the end of 2023, Cathay FHC had 1,227 suppliers. Every year, human rights impact assessments and management improvements for high-risk human rights issues are carried out.

## 5. Human Rights Risk/Impact Assessment Methods

### ● Human Rights Salient Issues

Cathay Financial Holdings references the business and human rights risks identified by the United Nations Development Programme (UNDP). Based on six dimensions — "Labor Rights", "Environmental Rights", "Voice and Participation", "Gender Equality", "Product Development, Advertising, Use of Products & Services", and "Governance and Security" — Cathay FHC selected 53 indicators relevant to financial industry operations and identified material issues using a human rights impact matrix, with severity and likelihood of occurrence as the two main axes. Severity is assessed by considering three factors: the scale, scope, and irremediability of the impact, in order to evaluate the issue's potential impacts in the past, present, and future. Finally, by incorporating internal legal compliance data and grievance cases, Cathay identified eight material human rights issues across its value chain, as well as the potentially affected vulnerable groups.



- **Cathay's Human Rights Risk/Impact Assessment Methods**

| Risk level       | High risk severity     | Medium risk severity   | Low risk severity      |
|------------------|------------------------|------------------------|------------------------|
| High frequency   | (3 , 3)<br>High risk   | (2 , 3)<br>High risk   | (1 , 3)<br>Medium risk |
| Medium frequency | (3 , 2)<br>High risk   | (2 , 2)<br>Medium risk | (1 , 2)<br>Low risk    |
| Low frequency    | (3 , 1)<br>Medium risk | (2 , 1)<br>Low risk    | (1 , 1)<br>Low risk    |

(1) Risk severity: 3=High risk severity, 2=Medium risk severity, 1=Low risk severity

(2) Frequency of occurrence: 3=High frequency, 2=Medium frequency, 1=Low frequency

(3) Risk level:

|                    |                                                                                               |
|--------------------|-----------------------------------------------------------------------------------------------|
| <b>High risk</b>   | Human rights risks have a significant effect on stakeholders in the value chain               |
| <b>Medium risk</b> | Operations and value chain infringe on the human rights of stakeholders and affect operations |
| <b>Low risk</b>    | Potential or mild infringement on human rights by operations or value chain                   |

- **Risk Assessment Overview**

| Category                         | % of total assessed in last three years | % of total assessed where risks have been identified | % of risk with mitigation actions taken |
|----------------------------------|-----------------------------------------|------------------------------------------------------|-----------------------------------------|
| Own operations                   | 100                                     | 3.17                                                 | 100                                     |
| Investment and Lending           | 100                                     | Lending Portfolio:2.95<br>Investment Portfolio:0.22  | 100                                     |
| Contractors and Tier I suppliers | 100                                     | 0                                                    | 100                                     |
| Joint ventures                   | 100                                     | 0                                                    | 100                                     |

| Stakeholders | Risk issues                                                                                                                                                                                                         | Stakeholders that may potentially be impacted                                                                                | Risk assessment method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Source                                                                                                                                                                                                                                                    |
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| Employee     | Force labor, prolonged working hours                                                                                                                                                                                | ✓Own employees<br>✓Female<br>✓Indigenous people<br>✓Migrant workers<br>✓Employees with disabilities<br>✓Interns<br>✓Children | <ul style="list-style-type: none"> <li>Across all global operating locations, employees with monthly overtime exceeding 45 hours are identified as high-risk.</li> <li>At Taiwan operations site, the limits set by the Labor Standards Act are observed: extended working hours shall not exceed 4 hours per day and 46 hours per month.</li> </ul>                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Work hours statistics</li> </ul>                                                                                                                                                                                   |
|              | Fair Wage                                                                                                                                                                                                           |                                                                                                                              | <ul style="list-style-type: none"> <li>All compensation policies must comply with applicable local laws</li> <li>Fixed wages for full-time employees must cover decent living needs without reliance on excessive overtime or variable bonus income</li> <li>Salaries shall not differ on the basis of gender, sexual orientation, race, socioeconomic status, age, marital or family status, language, religion, political affiliation, nationality, appearance, physical features, or disability</li> </ul>                                                                                                    | <ul style="list-style-type: none"> <li>Employee compensation statistics</li> <li>Regular reviews of factors such as market benchmarks, overall economic conditions(e.g. inflation, CPI index)</li> </ul>                                                  |
|              | Occupational Safety and Health                                                                                                                                                                                      |                                                                                                                              | <ul style="list-style-type: none"> <li>In accordance with the four major occupational safety and health programs, the risk assessments and workplace environment testing at each worksite are conducted every six months</li> <li>Each year, the Company conducts an employee occupational safety and health questionnaire to understand issues such as abnormal workload, ergonomic hazards, and mental health conditions, and further analyzes and evaluates the results</li> <li>Free health examinations are provided to all employees every two years, and health risks are analyzed accordingly</li> </ul> | <ul style="list-style-type: none"> <li>Results of workplace environment monitoring</li> <li>Occupational injury reporting</li> <li>Employee occupational safety and health questionnaire results</li> <li>Employee health examinations results</li> </ul> |
|              | Diversity, inclusion, and equal opportunity (including discrimination, harassment, subconscious bias, workplace violence, human trafficking, child labor, freedom of association, and collective bargaining rights) |                                                                                                                              | <ul style="list-style-type: none"> <li>Discrimination/workplace misconduct: monitored via employee complaints and annual employee feedback</li> <li>Child labor: Age on the resume or registration data is reviewed</li> <li>Freedom of association: Protect the rights of all employees to participate in clubs and associations</li> <li>Collective bargaining: Cathay FHC conducts Labor-Management Meetings in compliance with the "Guidelines for Implementing Labor-Management Meeting."</li> </ul>                                                                                                        | <ul style="list-style-type: none"> <li>Employee grievance channels</li> <li>Percentage of employees represented by an Independent Trade Union</li> </ul>                                                                                                  |

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| Customer | Customer Rights          | ✓Consumer finance customers<br>✓Corporate finance customers | <ul style="list-style-type: none"> <li>● Use Net Promoter Score (NPS) to measure brand loyalty and customer recommendation</li> <li>● Cathay FHC places customer rights protection and fair treatment at the core of its principles. The company has established a Service Quality Committee that is responsible for formulating group-wide service guidelines, providing employee training, and regularly reviewing service strategies with its subsidiaries.</li> <li>● Each subsidiary has a dedicated Service Quality Team responsible for planning, promoting, and tracking service quality improvements.</li> </ul> | <ul style="list-style-type: none"> <li>● Depending on the nature of the business, large-scale reputable market research firms are commissioned to conduct customer satisfaction surveys covering areas such as sales personnel performance, call center services, claims services, counter services, and online services.</li> </ul> |
|          | Personal data protection |                                                             | <ul style="list-style-type: none"> <li>● Cathay FHC has established the "Personal Information Management Committee", chaired by the President, to oversee and manage the implementation and risk control of the Group's personal data management mechanisms. The Risk Management Division serves as the personal data management unit, responsible for planning, supervising execution, and reviewing improvements of the Group's personal data management in accordance with the Committee's resolutions.</li> </ul>                                                                                                     | <ul style="list-style-type: none"> <li>● Number of personal data breach incidents tracked annually</li> <li>● Number of cases fined for personal data violation incidents tracked annually</li> <li>● Internal management mechanisms (including internal/external audits)</li> <li>● External whistleblowing mailbox</li> </ul>      |

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| <b>Lending clients/<br/>Investment targets and their supply chains</b> | Companies involved in controversial weapons, the adult entertainment industry, controversial conduct, or located in countries with significant human rights controversies or violations of international human rights consensus | ✓Stakeholders of the Investment and Lending, including those in its supply chain | <ul style="list-style-type: none"> <li>The Responsible Investment Working Group of Cathay FHC's Corporate Sustainability Committee shall annually prepare an "Investment and Lending Exclusion List" comprising high environmental, social, and ethical risks according to the Standards for Areas of Concern(including Controversial industries, Controversial countries and Controversial behaviors). Every subsidiary shall be notified of the list after it is approved by the President under the authorization of the Board of Directors.</li> </ul> | <ul style="list-style-type: none"> <li>Cathay Financial Holdings and Subsidiaries' Investment and Lending Exclusion Policy</li> </ul>                                                                                                                                                                              |
|                                                                        | Human rights-related controversies, including but not limited to human rights concerns, negative impacts on local communities, or labor-related issues                                                                          |                                                                                  | <ul style="list-style-type: none"> <li>Cathay FHC's has established a comprehensive mechanism for pre-investment/lending review and engagements after Investment and Lending to assess the human rights risks. For details, please refer to the Cathay FHC's 2025 Sustainability Report 5.2.2 ESG Risk Management</li> </ul>                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>Monitored the ratio of high human rights risk corporate loans/investments to all corporate loans/investments</li> <li>Government fine records</li> <li>ESG evaluation results of each institution</li> <li>Sustainability Report and Annual Report</li> <li>News</li> </ul> |
| <b>Suppliers</b>                                                       | Occupational Safety and Health                                                                                                                                                                                                  | ✓Employees of suppliers                                                          | <ul style="list-style-type: none"> <li>Adopt ISO 20400 Sustainable Procurement</li> <li>Questionnaire survey</li> <li>News monitoring</li> <li>Evaluate and provide training to suppliers for sustainability measures (including human rights issues) each year</li> <li>All suppliers signed Cathay's Declaration of Sustainability Values</li> </ul>                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>Supplier self-evaluation questionnaire surveys</li> <li>Government fine records</li> </ul>                                                                                                                                                                                  |
|                                                                        | Personal data protection                                                                                                                                                                                                        |                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                    |
|                                                                        | Diversity, inclusion, and equal opportunity (including: No child labor, no discrimination, equal pay, no forced labor, and prohibition of human trafficking)                                                                    |                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                    |

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| <b>Joint ventures</b> | Occupational Safety and Health                                                                                                                               | √Employees of joint ventures | <ul style="list-style-type: none"> <li>● Questionnaire survey, news monitoring</li> <li>● All joint ventures signed Cathay's Declaration of Sustainability Values (contains the commitment to human rights protection), and implement human rights protection</li> </ul> | <ul style="list-style-type: none"> <li>● Self-evaluation questionnaire surveys</li> <li>● Government fine records</li> </ul> |
|                       | Personal data protection                                                                                                                                     |                              |                                                                                                                                                                                                                                                                          |                                                                                                                              |
|                       | Diversity, inclusion, and equal opportunity (including: No child labor, no discrimination, equal pay, no forced labor, and prohibition of human trafficking) |                              |                                                                                                                                                                                                                                                                          |                                                                                                                              |

## 6. Human Rights Risk Mitigation and Remediation Mechanisms

| Stakeholders | Risk Issues             | Mitigation measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Results of Mitigation Measures                                                                                                                                                                                                                                                                                                                  | Remediation Mechanisms and Resources                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| Employee     | Prolonged working hours | <ul style="list-style-type: none"> <li>Promote and implement a daily/monthly overtime limit</li> <li>Overtime work shall be compensated with overtime pay and shall not exceed statutory limits for daily or monthly work hours</li> <li>The Human Resources department regularly reviews back office system data for employees with excessive overtime hours and proactively notifies their respective supervisors</li> <li>Establish a system for transformation working hours/flexible working hours</li> <li>Establish a "work-from-home" system</li> <li>Administer mental health evaluation questionnaire</li> </ul> | <ul style="list-style-type: none"> <li>97% response rate to mental health evaluation questionnaire in 2025; 88% response rate for abnormal workload self-assessment</li> <li>All employees are eligible to apply for a work-from-home arrangement based on the nature of their responsibilities and personal status.</li> </ul>                 | <ul style="list-style-type: none"> <li>The company has clearly defined the overtime compensation mechanism in the work rules and internal management guidelines. These documents specify the regulations for extended working hours and overtime pay. Employees may choose to receive overtime pay or take compensatory leave based on their preferences.</li> <li>Employees can check their work hours, overtime hours, and corresponding compensation in the HR system. If they have any questions about the calculations, they can contact the Human Resources department or file a complaint through the group's grievance mechanism.</li> <li>Implementation of the management mechanism for employees at risk of illness due to work overload</li> </ul> |
|              | Fair Wage               | <ul style="list-style-type: none"> <li>Compiled and disclosed gender pay comparison data covering non-management level, management level, and executive level. The data is further broken down by base salary only and base salary plus other cash incentives to review pay differences across different employee groups.</li> </ul>                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>Cathay's 2025 gender pay comparison analysis indicates that, under equivalent roles and responsibilities, the pay ratio between male and female employees—across non-management level, management level, and executive level—ranged from 100:96 to 100:103, showing no significant disparity.</li> </ul> | <ul style="list-style-type: none"> <li>Ensure that full-time employees receive fixed salaries sufficient to meet basic living needs, and regularly review their alignment with living wage benchmarks. In addition, employees may receive variable remuneration and incentive plan rewards based on their performance.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                              |

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|  |                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>● An annual review of base salary is conducted on factors such as the Consumer Price Index (CPI) and market benchmarks</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>● The Company' s internal analysis in 2025 confirmed that its remuneration policy is aligned with the living wage standards of each operating location. We will continue to improve relevant policies to ensure that employees are able to maintain decent work.</li> </ul>                                                                                                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>● Establish a comprehensive compensation structure and payroll system. Employees with any concerns may consult their department supervisors or the Human Resources department.</li> </ul>                                                                                                                                                       |
|  | Occupational Safety and Health                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>● Free employee health check-ups</li> <li>● Administer musculoskeletal disorders questionnaires</li> <li>● Administer occupational safety and health inspection</li> <li>● Implement occupational safety training</li> <li>● Provide employee assistance programs</li> <li>● Hold health promotion activities</li> <li>● Ensure first-aid equipment and AED access in the workplace</li> </ul>                                                                                                                                                | <ul style="list-style-type: none"> <li>● Offers free health examinations to employees every two years to regularly monitor blood sugar, blood pressure, cholesterol, and obesity in employees; over 30,000 employees received health examinations in 2024</li> <li>● 50% response rate to musculoskeletal disorders questionnaire in 2025</li> <li>● In 2025, the Group's Employee Assistance Program (EAP) provided 1,033 consultations</li> <li>● In 2025, Cathay offered a total of 112,327 hours of occupational safety and health training to employees</li> </ul>                                                                                       | <ul style="list-style-type: none"> <li>● Implement occupational disaster reporting and response mechanism</li> <li>● Assist with group and labor insurance enrollment</li> </ul>                                                                                                                                                                                                       |
|  | Diversity, inclusion, and equal opportunity (including discrimination, harassment, subconscious bias, workplace violence, human trafficking, equal pay, child labor, freedom of association, and collective bargaining rights) | <ul style="list-style-type: none"> <li>● Code of Conduct for Employee and Code of Ethics state that discrimination and sexual harassment are human rights violations</li> <li>● Ensure that the workplace provides necessary accessible facilities and assistive devices</li> <li>● Ensure that operating locations prioritize local hiring</li> <li>● Promote human rights awareness through newsletters and seminars</li> <li>● Ensure thorough communication of material labor management issues and execute actions based on the outcome of labor-management meetings</li> </ul> | <ul style="list-style-type: none"> <li>● The Code of Conduct for Employee training coverage was 100% with a 100% completion rate.</li> <li>● Cathay collaborated with an external consultant in 2025 to conduct a Group-wide workplace inclusion survey, becoming the first financial institution in Taiwan to conduct such an independent survey. This provided an in-depth understanding of employees' actual experiences in diversity, equity, and inclusion.</li> <li>● Cathay organized the "Inclusive Leadership Workshop" for managers, covering topics such as awareness of microaggressions , addressing unconscious bias, and practicing</li> </ul> | <ul style="list-style-type: none"> <li>● Establish reporting and complaint response mechanism. Ensure access to follow-up consultation services for the victim</li> <li>● In the event of a human rights violation in the workplace, a relevant committee will be established and, after committee review, disciplinary action will be taken against the offending employee</li> </ul> |

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|          |                          |                                                                                                                                                                                                                                                                                                            | <p>inclusive communication techniques. In 2025 nearly 100 managers at various levels have participated in the workshop.</p> <ul style="list-style-type: none"> <li>● Cathay has never employed child labor</li> <li>● 320 indigenous people of Taiwan and 479 employees with disability/disabilities under Cathay's employment in 2025</li> <li>● Cathay's workforce consists of 15 different nationalities.</li> <li>● 25 labor-management meetings held in 2025</li> </ul>                                                                           |                                                                                                                                                                                                                                                                                                                                                                                               |
| Customer | Customer Rights          | <ul style="list-style-type: none"> <li>● Service Quality Committee reviews service strategies with subsidiaries</li> <li>● Commissioned large, credible market research companies to conduct satisfaction surveys based on the nature of their business.</li> <li>● Implement employee training</li> </ul> | <ul style="list-style-type: none"> <li>● In 2025, based on a weighted by each subsidiaries' share of consolidated revenue, Cathay Financial Holdings' overall customer satisfaction score was 97.98</li> <li>● Cathay Life, Cathay Century, and Cathay Securities were ranked among the top 25% of companies in the Financial Supervisory Commission's Treating Customers Fairly Evaluation.</li> <li>● Cathay FHC subsidiaries continue to provide training to raise compliance awareness in employees and enforce fair customer treatment</li> </ul> | <ul style="list-style-type: none"> <li>● Multiple accessible complaint channels and dedicated handling teams</li> <li>● The Group has established comprehensive complaint channels and dedicated units to handle customer complaints, adhering to the principle of "proactive handling and attentive care" to ensure prompt contact with customers and the provision of solutions.</li> </ul> |
|          | Personal data protection | <ul style="list-style-type: none"> <li>● Establish Personal Information Management Committee, the President serves as the</li> </ul>                                                                                                                                                                       | <ul style="list-style-type: none"> <li>● Annual audits conducted by third-party professional verification bodies, Cathay ensures the appropriateness</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>● Establish the "Protocol for Responding to Personal Information Breaches"</li> </ul>                                                                                                                                                                                                                                                                  |

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|                                                |                                                                                                                                                                                                                                                                                                                                           | <p>Chairperson, responsible for reviewing, supervising, and coordinating personal information management operations.</p> <ul style="list-style-type: none"> <li>● Cathay FHC and its major subsidiaries have all implemented and passed the international standard verification of "BS 10012:2017 Personal Data Management System" and "ISO 27001 Information Security Management System".</li> <li>● Implement personal information protection training</li> </ul>                                                                                                                                                                                                                                                                                                               | <p>of its data protection processes, control measures, and vendor management practices.</p> <ul style="list-style-type: none"> <li>● In 2025, all employees at Cathay FHC and its subsidiaries achieved 100% completion of Personal Information Protection Training.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>● Establish regular contingency plan exercises</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Lending clients and their supply chains</b> | <p>1.Companies involved in controversial weapons, the adult entertainment industry, controversial conduct, or located in countries with significant human rights controversies or violations of international human rights consensus</p> <p>2.Human rights-related controversies, including but not limited to human rights concerns,</p> | <ul style="list-style-type: none"> <li>● Cathay assesses whether clients or their intended use of funds are associated with restricted industries, companies, or activities that are excluded from financing before lending</li> <li>● During the proposal stage of corporate loans, clients' ESG risks are assessed using an ESG and climate risk checklist. Cases involving human rights risks are also regularly tracked and reported</li> <li>● Equator Principles (EPs) responsible team evaluates financing requests to determine if they fall under the scope of the EPs, based on the amount and other relevant details. Projects subject to the EPs require ongoing annual monitoring by both the business unit and the responsible team to ensure the client</li> </ul> | <ul style="list-style-type: none"> <li>● In lending, CUB conducted human rights due diligence on 99.56% of its portfolio in 2025, focusing on risk factors including but not limited to labor issues, workplace safety, and violations of laws resulting in mandated or voluntary work stoppages. Such cases accounted for 2.95% of the lending portfolio. For these cases, business units are required to explain ESG incidents and ESG risk management plans using the ESG and Climate Risk Checklist, including risk mitigation measures and follow-up review items</li> <li>● In 2025, 100% of the positions with human rights risk mitigation measures were documented through the ESG and Climate Risk Checklist.</li> <li>● Projects subject to the Equator Principles are assessed and managed in accordance with the Equator Principles</li> </ul> | <ul style="list-style-type: none"> <li>● Subsidiaries shall not lend to companies on the lending exclusion list. In principle, no additional lending shall be granted for existing loans. Subsequent actions, such as communication, engagement or loan recall, will be undertaken based on the management needs and strategic decisions of each subsidiary.</li> <li>● Continue to monitor ESG performance in corporate loans and require ESG remediation from lending clients that exceed a specified ESG risk threshold.</li> <li>● Clients are monitored to ensure compliance with the EPs and to improve communication with stakeholders. Follow-up management is conducted on the progress of clients' action plans after lending.</li> </ul> |

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| <b>Investment targets and their supply chains</b> | negative impacts on local communities, or labor-related issues                                                                                                                                                                           | <ul style="list-style-type: none"> <li>● Before investing, each subsidiary must verify that the target is not listed on the exclusion list</li> <li>● Assess whether the investees violate international human rights standards; whether investees are involved in human rights-related controversies, including but not limited to human rights concerns, negative impacts on local communities, or labor-related issues, to determine human rights risk of investees</li> </ul>                                           | <ul style="list-style-type: none"> <li>● In 2025, 92.51% of Cathay's investment portfolio underwent human rights due diligence, with 0.22% of the assessed investments identified as having human rights risks.</li> <li>● Cathay implements mitigation measures for investments with human rights risks, including but not limited to engagement and issuing ESG risk assessment reports. In 2025, 100% of the positions with identified human rights risks had mitigation measures applied.</li> </ul> | <ul style="list-style-type: none"> <li>● Subsidiaries shall not invest in companies on the exclusion list. In principle, no additional investments shall be made in existing investment targets. Further actions, such as engagement, negotiation or divestment, should be undertaken based on the management needs and strategic decisions of each subsidiary.</li> </ul>                      |
| <b>Suppliers</b>                                  | 1.Occupational Safety and Health<br><br>2.Personal data protection<br><br>3.Diversity, inclusion, and equal opportunity (including: No child labor, no discrimination, equal pay, no forced labor, and prohibition of human trafficking) | <ul style="list-style-type: none"> <li>● Establish Cathay FHC Sustainable Procurement Policy and implement ISO 20400 - Sustainable Procurement Guidelines</li> <li>● Implement the management of sustainability self-evaluation for suppliers</li> <li>● Require suppliers to sign Cathay's Declaration of Sustainability Values</li> <li>● Conduct sustainability training for supplier (including the human rights pledge)</li> <li>● Hold annual supplier conference to discuss sustainability-related issues</li> </ul> | <ul style="list-style-type: none"> <li>● All Cathay suppliers have completed the sustainability training</li> <li>● As of 2025, all Cathay FHC suppliers have signed Cathay's Declaration of Sustainability Values</li> </ul>                                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>● Conduct regular supplier evaluations. Those that fall below a rating threshold are removed from the supplier list</li> <li>● The procurement contract requires suppliers to adhere to the principles of corporate social responsibility and to comply with regulations. The supplier is liable for damages if there is a breach of contract</li> </ul> |

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| <b>Joint ventures</b> | 1.Occupational Safety and Health<br><br>2.Personal data protection<br><br>3.Diversity, inclusion, and equal opportunity (including: No child labor, no discrimination, equal pay, no forced labor, and prohibition of human trafficking) | <ul style="list-style-type: none"> <li>● Strengthen engagement with JVs through the use of the Cathay Overseas Network</li> <li>● Require JVs to sign Cathay's Declaration of Sustainability Values</li> </ul> | <ul style="list-style-type: none"> <li>● All JVs have signed Cathay's Declaration of Sustainability Values (including the human rights pledge)</li> </ul> | <ul style="list-style-type: none"> <li>● If survey reveals risks, JVs must implement corrective actions</li> </ul> |
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## 7. 2025 Human Rights Impacts and Remedial/Corrective Measures

| Human Rights Impact       | Stakeholders | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Remedial Measures                                                                                                                                                                                                                                                 | Corrective Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| Personal Data Breaches    | Customer     | <ul style="list-style-type: none"> <li>We had 20 data breach incidents in 2025, 100% of which involved personal data.</li> <li>A total of 887 customers were affected by these incidents. Most of these cases originated from customer complaints through various channels</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | The incidents were primarily due to information processing oversights and misdirected data shipments. Follow-up communication with the affected parties has been ongoing to seek understanding and ensure proper resolution.                                      | <ul style="list-style-type: none"> <li>Cathay FHC will continue to promote employee training and strengthen awareness efforts to ensure all personnel fully understand the importance of personal data protection</li> <li>Persist in enhancing and monitoring the use of customer personal data, improving related protective measures</li> <li>Supervising third-party partners to properly manage customer data, thereby reducing the occurrence of personal data leakage incidents.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Customer rights infringed | Customers    | <ul style="list-style-type: none"> <li>From March to October 2024, a customer service specialist of CUB abused their position to apply for replacement credit cards on behalf of customers without authorization. After submitting the applications and before the cards were issued, the specialist changed the customers' contact information to their own information. The specialist then used the customers' credit cards to make unauthorized top-ups on an overseas website to accounts belonging to themselves and their relatives and friends, and subsequently transferred the funds back to their own account through a series of transactions. A total of 18 customers were affected, with unauthorized transactions amounting to approximately NT\$6.88 million.</li> </ul> | The case was proactively identified by CUB. Immediately after the incident occurred, CUB launched an internal investigation, reviewed and contacted potentially affected customers, and ensured that customers' rights and interests were not adversely affected. | <ul style="list-style-type: none"> <li>Reviewed the effectiveness of internal controls and fraud prevention mechanisms related to customer service processes. After commissioning an external third-party institution to issue an assurance report, the matter was submitted to the Board of Directors for approval and reported to the Financial Supervisory Commission. The Audit Unit also placed the case under follow-up management and incorporated it into key areas for internal audits.</li> <li>Implement corresponding improvement measures for internal controls related to customer service processes, including adjusting the authority of customer service personnel to change information, strengthening the process for sending change notifications, revising the monthly report for abnormal monitoring of mobile phone number changes, adding control measures for lost card reissuance with address changes,</li> </ul> |

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|                         |               |                                                                                                                                                                                             |                                                                                                                                                                                                                         | <p>implementing an abnormal monitoring report for credit card reissuance applications, adjusting the credit card minimum payment amount, and enhancing controls over the credit card image retrieval system.</p> <ul style="list-style-type: none"> <li>● The employee involved in the case have been dismissed. The Human Resources Department has completed the reporting procedures in accordance with the "Directions for Reporting Information on Personnel of Banks Involved in Illegal or Negligent Conduct."</li> <li>● Bank-wide "Employee Integrity and Ethical Conduct Education and Training" was provided, covering the corporate culture of ethical management and incorporating this penalty case to help employees better understand the code of conduct, thereby strengthening legal compliance awareness across CUB.</li> </ul> |
| Working Hour Management | Own employees | <ul style="list-style-type: none"> <li>● In 2025, Cathay Life recorded 1 case in which employee attendance records were not kept on a daily basis down to the minute as required</li> </ul> | <ul style="list-style-type: none"> <li>● Conduct reviews and follow-up actions on cases identified by the competent authorities, and communicate relevant guidance and awareness to the employees concerned.</li> </ul> | <ul style="list-style-type: none"> <li>● Continue to promote contract management practices for business channels.</li> <li>● Remind supervisors to properly implement attendance management and confirm working hour records within their respective units.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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| Overtime                                                                   | Own employees | <ul style="list-style-type: none"> <li>In 2025, an average of 122 employees per month exceeded 45 hours of extended work per month, totaling 1,461 instances throughout the year across the group.</li> </ul> | <ul style="list-style-type: none"> <li>For employees with relatively high overtime hours, the Human Resources Unit proactively notifies their department supervisors. Employees are also encouraged to use the Employee Assistance Program (EAP) according to their individual needs</li> </ul> | <ul style="list-style-type: none"> <li>Use system tools to track attendance and help employees and supervisors manage work and overtime hours.</li> <li>Review excessive overtime hours and manpower allocation every quarter.</li> </ul>                                                                                                                                                                                                                                                                                                                                  |
| Discrimination and Harassment (including sexual and non-sexual harassment) | Own employees | <ul style="list-style-type: none"> <li>In 2025, 1 case occurred at Cathay FHC, 5 case occurred at Cathay Life, and 1 case occurred at CUB.</li> </ul>                                                         | <ul style="list-style-type: none"> <li>Provide remedial support based on the needs of each case, including but not limited to the Employee Assistance Program (EAP) (e.g. counseling).</li> </ul>                                                                                               | <ul style="list-style-type: none"> <li>In accordance with the Guidelines for Sexual Harassment Prevention Measures, Complaint Handling, and Disciplinary Actions, an investigation team was established, and the case was submitted to the Investigation Committee for disciplinary review. Appropriate disciplinary measures were imposed on the perpetrator based on the severity of the violation, including job reassignment and dismissal.</li> <li>Continue to strengthen awareness of gender equality and workplace prevention through internal training</li> </ul> |

## 8. Complaint Mechanisms and Reporting Channels

Cathay established clear whistleblowing and complaint channels to create a corporate culture of integrity and transparency and facilitate sound operations, in order to implement the Company's Code of Ethical Conduct and Ethical Corporate Management Best Practice Principles, and protect the lawful rights and interests of whistleblowers and related persons.

### ● Complaint/Whistleblowing Channels

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| Letters  | Recipient: Compliance Dept. – Whistleblowing Cases<br>Address of recipient: 18F, No. 296, Section 4, Ren'ai Road, Taipei City, Taiwan (R.O.C.)                                                                                                                                             |
| E-mail   | Cathay's whistleblowing mailbox: <a href="mailto:group@cathayholdings.com.tw">group@cathayholdings.com.tw</a>                                                                                                                                                                              |
| Hotline  | Whistleblowing hotline: 02-27005228<br>Subsidiary customer service management and complaint channels:<br><a href="#">Cathay Life</a><br><a href="#">Cathay United Bank</a><br><a href="#">Cathay Century Insurance</a><br><a href="#">Cathay Securities</a><br><a href="#">Cathay SITE</a> |
| Intranet | Employee opinion and complaints section                                                                                                                                                                                                                                                    |

## ● Complaint/Whistleblowing Handling Procedures

